



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR JANUARY 2024

PRODUCTION

Tea production for the month of January 2024 was higher by 4.04 Million Kgs from 54.91 Million Kgs recorded during the same period of last year to 58.96 Million Kgs. Production during the month was also higher compared to 54.33 Million Kgs recorded in December 2023. The increase in production for the month of January compared to the same month last year follows good weather conditions condition experienced in tea growing areas within the East of Rift Block during the last three weeks of the month particularly within Kiambu and Embu/Meru regions where the amounts of rainfall received was moderate and ranged from an average of 29 mm daily to 84 mm. In the West of Rift Block, high precipitation was recorded in tea growing areas of Kericho and Nandi with Kericho experienced average rainfall of 43mm daily to 120mm, while Nandi recorded an average precipitation of 35mm to 78 mm. However, the rainfall in the rest of tea growing areas within the East of the Rift Block (Muranga/Nyeri/Kirinyaga) and West of Rift Block (Bomet and Kisii/Nyamira) was low.

As a result of high precipitation, production in tea growing areas within the East of Rift Block was significantly higher by 2.18 Million Kgs from 18.19 Million Kgs recorded in January 2023 to 20.38 Million Kgs. Similarly, in the West of Rift Block, the output was up by 1.86 Million Kgs from 36.71 Million Kgs to 38.58 Million Kgs. Consequently, the Smallholder Sub-sector under the Management of KTDA, recorded significant increase in production by 3.51 Million Kgs from 28.37 Million Kgs recorded during the corresponding month of 2023 to 31.88 Million Kgs. Independent tea producers also recorded increased production by 0.84 Million Kgs from 12.18 Million Kgs to 13.02 Million Kgs. However, the Plantation sub-sector recorded marginal production decline from 13.77 Million Kgs to 13.54 Million Kgs.

Table 1: Production by Sub-Sector and Region (2024 vis-à-vis 2023)

Sub-Sector/Producer	Block	Jan. 2024	Jan. 2023	Variance +/-	Var.(%)
Plantation/Estates	West of Rift	13,110,935	13,349,782	- 238,847	-1.79%
	East of Rift	436,570	428,808	7,762	1.81%
	Total	13,547,505	13,778,590	- 231,085	-1.68%
Smallholders-KTDA	West of Rift	13,998,232	12,176,824	1,821,408	14.96%
	East of Rift	17,886,857	16,196,033	1,690,824	10.44%
	Total	31,885,089	28,372,857	3,512,232	12.38%
Independents	West of Rift	11,152,106	10,705,529	446,577	4.17%
	East of Rift	1,871,263	1,474,703	396,560	26.89%
	Total	13,023,369	12,180,232	843,137	6.92%
Nyayo T. Zones	West of Rift	320,188	487,700	- 167,512	-34.35%
	East of Rift	190,738	99,806	90,932	91.11%
	Total	510,926	587,506	- 76,580	-13.03%
Estates,Smallholder, Independents & Nyayo Tea Zones	West of Rift	38,581,461	36,719,835	1,861,626	5.07%
	East of Rift	20,385,428	18,199,350	2,186,078	12.01%
	Grand Total	58,966,889	54,919,185	4,047,704	7.37%

During the month of January, speciality teas produced was 455,019 Kgs, which represented 1% of the total production. Speciality teas was dominated by Orthodox teas at 99% and was largely produced by Plantation and Independents tea factories. The rest of speciality teas consisted of Green and Purple tea types.

TEA SALES

AUCTION

During the month of January, auction sales volume for Kenya tea stood at 42.48 Million Kgs, which was lower compared to 61.25 Million kgs recorded during the corresponding

month of last year but higher than that of December 2023 which was 26.95 Million Kgs. However, the average monthly auction price for Kenya tea was lower at 2.19 USD per Kg against 2.30 USD in the same period of last year and similar to what was recorded in the month of December last year. During the month of January 2023, tea offered for sale by the smallholder tea factories fetched an average price of 2.51 USD per Kg for the main grades, which was lower compared to an average price of 2.64 USD in the same period of 2023 and 2.77 USD recorded in December 2023. Lower average prices realized was on account of reprints of certain invoices for particular garden marks, which fetched less prices.

Though there was generally good demand for tea offered at the auction, the prices continued to be impacted negatively by the effect of global economic shock experienced in most countries due to the Russia-Ukraine crisis and increasing supply of tea occasioned by good weather conditions and application of fertilizer. The crisis has continued to cause increases in commodity prices thus affecting consumer purchasing power, shortage of forex reserves required for importation and weakening of local currencies against the USD within the markets. Inadequate forex reserves has in turn continued to cause delayed payments in the export markets and thus affecting the purchases at the auction especially by exporters of tea to Key markets such as Pakistan and Egypt. During the month, exporters to Russia, Iran and Sudan participated less in tea buying at the Auction.

Table 2: Auction Sales (2024 vis-à-vis 2023)

	2024		2023		Variance.			
	Vol. M. Kgs	Value (USD/KG)	Vol. M. Kgs	Value (USD/KG)	Vol.	%	Value	%
JAN.	42.48	2.19	61.25	2.30	-18.76	-31%	0.11	-5%

However, prices of tea followed the quality, with "Best" category of CTC leaf grades fetching higher prices at between USD 2.55 to 5.71 per Kg for the BP1s and 2.62 to 3.18 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 2.70 to 3.22 for PDust and USD 2.70 to 2.90 for Dust1. Notably, well sorted grades and those with brighter liquors attracted more competitive bids and considerably higher prices while plainer categories across the grades attracted either

less interest and thus discounted prices or no bid by the buyers and consequently constituted the highest proportion of teas on offer at the auction that were withdrawn.

EXPORTS

The total export volume for the month of January 2024 was higher by 11.79% (5 Million Kgs) from 42.42 Million Kgs recorded in the same period of last year to 47.42 Million Kgs. However, it was lower compared to 51.23 Million Kgs exported during the month of December 2023.

During the month, Kenya tea was shipped to fifty-eight (58) export destinations compared to forty-nine (49) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 15.90 Million Kgs, accounting for 33.5% of the total export volume.

Other key export destinations for Kenya tea were Egypt (7.30 Million Kgs); UK (5.72 Million Kgs); UAE (2.77 Million Kgs); Russia (1.99 Million Kgs); Saudi Arabia (1.42 Million Kgs); Yemen (1.34 Million Kgs); Iran (1.13 Million Kgs); Poland (1.01 Million Kgs) and Chad (0.72 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenya tea accounted for 83% of Kenya tea export volume. Apart from Pakistan and Yemen, the other traditional markets recorded increased imports for Kenya tea. Notably, Chad which is an emerging market for Kenya tea recorded significant increase in exports from Kenya. Prior to the conflict in Sudan, Chad which is a land locked country, would get its commodity supplies including tea from Sudan. However, due to the blockage of trade routes from Sudan, Chad has now shifted to alternative transhipment routes such as Nigeria and Cameroon. Other traditional markets such as Ukraine; Afghanistan; Sudan and Kazakhstan recorded lower imports due to effects of the global economic recession and market access occasioned by Russia-Ukraine crisis and internal conflict in Sudan.

There were also a few shipments to emerging and seasonal markets such as South Sudan; Ethiopia; Kyrgyzstan; Mauritius; Djibouti; Peru; Israel; Iraq; Mexico; Bahrain; Bangladesh; Vietnam; Mali; Swaziland; Australia; France; and Myanmar.

During the month of January, value added tea exports was 405,846 Kgs, which represented 1% of the total export the volume. The exports in value added form were shipped to fifteen (15) market destinations which included United Kingdom; Sudan; Somalia; Ireland; Cote D' Ivoire; Kenya (from the EPZ); South Sudan; Chad; Burkina

Faso; Japan; Singapore; India; Guinea; Italy; and Germany. Out of the total value-added tea exports, United Kingdom accounted for the highest volume at 27%.

LOCAL TEA SALES

Local tea sales for January 2024 was higher at 3.30 Million Kgs against 3.02 Million Kgs in January 2023 and 2.57 Million Kgs recorded during the corresponding month of 2022. However, it was slightly lower compared to 3.46 Million Kgs recorded in the month of December 2023.

17TH MARCH 2023

Table 3: Kenya Tea Exports by Destination (January 2024 vis-à-vis January 2023)

DESTINATION	2024- QUANTITY KGS	2023- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	15,904,272	16,071,922	-167,650	-1.04%
EGYPT	7,303,644	7,235,022	68,622	0.95%
UK	5,721,377	4,577,102	1,144,275	25.00%
UAE	2,776,335	478,098	2,298,237	480.70%
RUSSIA	1,996,070	1,548,629	447,441	28.89%
SAUDI ARABIA	1,429,479	771,622	657,857	85.26%
YEMEN	1,343,556	1,976,890	-633,334	-32.04%
IRAN	1,131,570	282,927	848,643	299.95%
POLAND	1,015,071	531,522	483,549	90.97%
CHAD	722,229		722,229	
IRELAND	664,148	472,762	191,386	40.48%
SOMALIA	625,358	153,954	471,404	306.20%
SWITZERLAND	608,816	431,616	177,200	41.06%
UKRAINE	558,089	2,403,649	-1,845,560	-76.78%
AFGHANISTAN	487,688	978,251	-490,563	-50.15%
SUDAN	452,396	1,028,481	-576,085	-56.01%
INDIA	425,644	231,833	193,811	83.60%
KAZAKHSTAN	414,107	807,073	-392,966	-48.69%
CHINA	404,327	138,559	265,768	191.81%
OMAN	370,180		370,180	#DIV/0!
NETHERLANDS	360,455	323,206	37,249	11.52%
USA	307,154	189,769	117,385	61.86%
SRI LANKA	273,374	16,854	256,520	1522.05%
SOUTH SUDAN	272,330		272,330	#DIV/0!
NIGERIA	252,000	379,336	-127,336	-33.57%
JAPAN	238,920	98,788	140,132	141.85%
SOUTH AFRICA	233,407	86,416	146,991	170.10%
TURKEY	199,106	33,707	165,399	490.69%
GERMANY	189,660	97,647	92,013	94.23%
QATAR	144,881	190,578	-45,697	-23.98%
MALAYSIA	129,712	80,897	48,815	60.34%
ETHIOPIA	52,844		52,844	#DIV/0!
KYRGYZSTAN	48,000		48,000	#DIV/0!
MAURITIUS	40,000		40,000	#DIV/0!
HONG KONG	29,832	30,894	-1,062	-3.44%
GHANA	28,200	14,074	14,126	100.37%
CANADA	26,000	29,870	-3,870	-12.96%
ROMANIA	25,280	27,588	-2,308	-8.37%
DJIBOUTI	24,425		24,425	#DIV/0!
PERU	24,000		24,000	#DIV/0!
UZBEKISTAN	23,400	31,114	-7,714	-24.79%
SINGAPORE	23,100	19,446	3,654	18.79%
ISRAEL	20,080		20,080	#DIV/0!
TAIWAN	17,960	75,776	-57,816	-76.30%
COTE D'IVOIRE	15,522	6,708	8,814	131.39%
IRAQ	14,229		14,229	#DIV/0!
BURKINA FASO	10,348	36,899	-26,551	-71.96%
MEXICO	9,000		9,000	#DIV/0!
BAHRAIN	8,496		8,496	#DIV/0!
BANGLADESH	7200		7,200	#DIV/0!

VIET NAM	6,595		6,595	#DIV/0!
GUINEA	5,174	6,708	-1,534	-22.87%
MALI	5,174		5,174	#DIV/0!
ITALY	4,600	5,964	-1,364	-22.87%
INDONESIA	2,600	3,371	-771	-22.87%
SWAZILAND	778		778	#DIV/0!
AUSTRALIA	500		500	#DIV/0!
FRANCE	300		300	#DIV/0!
MYANMAR	189	33,707	-33,518	-99.44%
BENIN		6,708	-6,708	-100.00%
BRAZIL		7,779	-7,779	-100.00%
CHILE		48,135	-48,135	-100.00%
CZECH REPUBLIC		130	-130	-100.00%
JORDAN		339,665	-339,665	-100.00%
NIGER		6,708	-6,708	-100.00%
SENEGAL		20,124	-20,124	-100.00%
SPAIN		58,205	-58,205	-100.00%
TOTAL	47,429,181	42,426,683	5,002,498	11.79%